

# **AUTO COLLISION REPAIR LICENSING ADVISORY BOARD**

## **Meeting Minutes of JUNE 30, 2010**

**Members present: Dave Reynolds, Association of Collision Repairers - Chairman**

**Louis D'Quattro, Jr. - Deputy Director,**

**Division of Regulatory Standards, Compliance and Enforcement**

**Tom Broderick, DBR**

**Scott Wendel, Insurance Company**

**Gerry Galleshaw, Public Member**

**Dennis Gamba, Direct Repair**

**Members absent: Dave Doucet, RISP**

**Dan Coleman, Auto Glass Industry**

**Chris Hurd, New Car Dealer**

**Others present: Larry Alan, Nationwide**

**Randy Bottella, Reliable Collision**

**Kim Precious, Implementation Aide**

**Evelyn Ferrara, Licensing Aide**

**Jack Condon, Progressive**

**Jina Petrarca-Karampetsos**

**MEETING CALLED TO ORDER AT 10:37 A.M.**

**Dave Reynolds:** Opened the meeting with the introduction of Mr. Louis A. DeQuattro, Deputy Director of the Division of Regulatory Standards, Compliance and Enforcement. New Board member- Legal Representative. Made a motion to pass minutes for both sessions of May's meeting. Seconded by Gerry Galleshaw. All In Favor.

## **Old Business**

### **Regulation 4**

**Jina Petrarca-Karampetsos:** Changes to Reg 4- Section 5, Re-inspection. How rate is arrived at - Rate setting. Blue lined version says director has the discretion.

**Larry Alan:** A lot of the language comes right from current regulation. Repair Certification Form. Generated by shops. New form takes the insurer out of the process. Four reasons insurer can request form and must identify reason to the licensee at time of request: anti-fraud review, respond to inquiries, complaints, and part of re-inspection of vehicle.

**Dave Reynolds:** How can we deliver? Fax? E-mail?

**LA:** We didn't put a requirement in. Phone call can be adequate. As things evolve we will have to see how it flows. If there is a need for a change later we will.

**JPK:** There may be work done or not done on repair bill compared to the appraisal. Disclaimer -discussion language- Appraisal and actual repair bills may be quite different. Customer has the right not do anything on the appraisal.

**LA:** What the department wanted to see on paper is what work was done. They wanted to see where the money went. In fact, consumer might not have the car repaired at all.

**DR:** Say there is a customer who after you did an appraisal decides to take their car some place else. Does that shop have the legal responsibility to complete the work-completed form?

**JPK:** No. There was no work completed.

**Jack Condon:** The statement is, "I have made the repairs," so if there are no repairs made, you can't sign.

**Gerry Galleshaw:** If the car was taken from the shop where the appraisal was done should there be a removal/no work completed stamped on the form?

**JPK:** This form shouldn't be completed until work is done. It's an affirmative duty on the shop that does the work. In the instance where the car is taken there, appraised and then taken out, this form should not even be created. If the shop has some policy where they

want it signed because it was released then that is one thing.

Dennis Gamba: It's the body shop and the consumer that is making the contractual agreement. There may be other adjustments within the estimate to fulfill that obligation. The estimate is just a tool to get to an agreed price. But the ultimate repair is between the consumer and the body shop.

JPK: In regards to the rest of the form, Section 2 should not be on there, it was an authorization for direction to pay; it certainly is not applicable now because the insurers are not generating this form. Next, page 9 appears to be new language but it is not, it's only redlined because it was inadvertently left out of the document that was originally generated by the department.

LA: Some shops do not have a frame machine, they may send it down the street to a shop that has.

JPK: Well, they can't any more because of minimum standards.

Jack Condon: I would just like to say this was a tremendous meeting of the minds between the regulators on both sides of the industry and it is the second time this year.

Randy Bottella: I just want to point out things that are in the regulation that are not specific to areas the sub committee were

asked to look at. 1st thing is that page 3 under the definition of special use license it says, "this license permits limited specifically identified activities within the definition of motor vehicle body work." Right after the word bodywork at one point was recommended it say, but was not implemented, "not fitting the criteria of other licenses." It was to specifically prohibit somebody who already fits into the criteria of one of the licenses to come in and waste the department's time when they can fit within one of the licenses.

DR: Any ideas on that?

Randy: I want to be clear if someone is doing the work of a full collision repair shop I do not want them to come in here saying they have a special license because they do not want to buy the equipment. If someone is going to be doing limited heavy truck and equipment but doesn't want to invest in those requirements, I don't want to waste the department's time. Limited paint and restoration, that is one I really see as being a problem. Someone comes in here and says well I'm doing restoration on old cars but I don't want to carry a full license. Special use was put there for things that don't fit into these other categories. Like Motorcycle repairs. Not for people to say well I don't want a spray booth.

DR: I think our minimum requirements in the different sections would prohibit that.

**Kim Precious:** But that hurts the shops that do have the equipment and can do the frame pulling, but don't meet the requirements for a spray booth.

**DR:** I understand what you are getting at, but in the same token we don't let everybody with a small oil rig go out and drill holes in the continental shelf you either have the equipment to do the necessary repairs or you don't. With the complexity of the cars today you have to have that equipment to have the car repaired correctly. Having the correct equipment today is more of a consumer public safety issue because you don't want cars on the road unless those cars are repaired correctly.

**KP:** Assuming he has all the equipment and he fixes it and the customer takes the car to MAACO to be painted. He wouldn't need a spray booth if he weren't painting so he wouldn't need a full license.

**DR:** I am going to go over the old minutes again. Some of the very questions you are asking were brought up at prior meetings. You cannot begin to work on a vehicle and just stop and say now it's going to be ready for paint. Because there is a painting process, whether it is primer or corrosion, all that, has to be sprayed in increments.

**JPK:** Not only that. You don't paint the parts together. The parts get

**trimmed and primed and painted.**

**DR: There is a process that you need a spray facility in your shop while you are repairing that vehicle. It goes from various stages in and out of that spray booth or prep stations that the fire department comes in and authorizes. It is actually a complex project.**

**Randy: The Federal EPA has come out with regulations that did not exist at the time when we wrote these. Now there are requirements that the body shops must adhere to. Now that the Federal Government mandates the equipment, it takes this discussion of the table. So the other thing we want to discuss is on page 4 under Minimum Value, this goes back all the to the 70's, it states every licensee must maintain a service repair shop and/ or vehicles and related tools and equipment totaling a \$10,000 value. That means if you have a \$10,000 pick up truck and no tools to fix it, you still meet this requirement. The word vehicles should be taken out.**

**DG: If we are going to change this regulation we should look at changing the amount of \$10,000, it doesn't make sense anymore.**

**DR: Minimum standards already took care of that. Because you know a spray booth is more than \$10,000.**

**LA: That argues that this potentially conflicts with minimum standards.**

**DR: All this is specifying is the tools.**

**JPK: No. Every licensee must maintain a service repair shop and or vehicles and related tools. I think maybe you can argue that the repair shop itself had a value of \$10,000. What is a service repair shop, is it the building?**

**Randy; I think striking a little bit more would be relevant.**

**JPK: Maybe we should strike it all and reference the standards.**

**LA: Maybe that is something we want to look into.**

**Randy: I'm ok with that. Moving on. Ownership or lease of the address the license is going to.**

**LA: Do we license the business or the address? The business is the entity. The address is where the entity does business. Does the business loose its license because it moved across the street?**

**KP: They would have to transfer the license. Jeanne would require the licensee to fill out another application completely. We also send tom out and inspect the location to be sure everything is as stated on application.**

**LA: Standards. - Does it still reference the square footage?**

**DR: Grandfathered licenses are still grandfathered.**

**Randy: If you have someone submitting a license and they only have a lease for one year and you give them a license for 3 years it does not make sense. They should show they have a lease for the period of the license.**

**KP: Application now asks if they have a lease and for how long.**

**LA: If they change the license address they have to reapply.**

**DR: Yes.**

**JPK: I don't think you can require someone to get a 3-year lease because then they are financially obligated.**

**DR: Because in the requirements it says if you move or change the license you have to notify the department within a certain amount of time. I'd leave that the way it is. Any other questions about this regulation at this time?**

**LA: We are going to need a revised redline.**

**DR: Yes. So the board can actually digest this before the next**

meeting and at the next meeting we will vote and then submit to director. Any questions on old business?

LA: An update on the glass licensing issues? How much unlicensed activities the department uncovered.

DR: Maybe at the next meeting. We have a work-completed form with the glass people too. We sort of touched on it. We are going to do the work-completed form with the glass

KP: I thought we were going to eliminate it.

DG: I do not think glass installers need a work-completed form.

Randy: There needs to be a receipt generated.

KP: Dan could not be here today, but he wants to be here for any glass discussions.

DR: We will discuss at next meeting. I make a motion to convene to executive session 11:30 a.m. per RI Gen. Law §42-46-5(a) (4) for investigative proceedings regarding allegations of civil or criminal misconduct. Seconded by GG. All in Favor.

DR: Motion to adjourn meeting. Seconded by DG. All in favor I.  
Meeting Adjourned 11:42 a.m.